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- d) checking the subset entry against the corresponding subset within the second stored field of security data;
 - e) determining the validity of the transaction based upon the results of the checks of steps (b) and (d); and
 - f) displaying the first and second entries of data after receiving the second entry of data.
-

REMARKS

This Amendment is submitted in response to the Final Office Action mailed on November 7, 2000. Claims 1, 2, and 4 - 20 are pending. All are allowed, except claims 14 - 16, which are rejected.

A Notice of Appeal is herewith submitted.

Amendment to Specification

The Amendment to the Specification, made above, removes the basis for the objection to claim 2. This Amendment copies material from claim 1, and claim 2 as originally filed, into the Specification. Thus, no new matter is added, under MPEP § 2163.06(c), which states:

The claims as filed in the original specification are part of the disclosure and therefore, if an application as originally filed contains a claim disclosing material not disclosed in the remainder of the specification, the applicant may amend the

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specification to include the claimed subject matter.

Request for Reconsideration of Objection to Figures 1 and 2

Applicants request that the objection to Figures 1 and 2, on the grounds of lacking the legend "Prior Art," be reconsidered and withdrawn. The reasons were stated in the Brief, and are repeated here.

Briefly stated: the Specification describes the apparatus of Figures 1 and 2 as operating differently than prior art devices. Therefore, Applicants simply **CANNOT** label those Figures as "prior art." That would allow the PTO to reject Applicants' claims, on the grounds that they admitted Figures 1 and 2 to be prior art.

Explaining this in greater detail, the objection appears to mistake **appearance** for **substance**. The **housing** shown in Figure 1 may appear within the prior art. However, labeling Figure 1 as "prior art" acts as an admission that the **machinery** within that housing is within the prior art. That is not so: the Specification states that the **machinery** includes the present invention. Applicants cannot admit a falsehood.

The Specification, page 2, line 18, states:

Fig. 1 is a perspective view of an ATM according to the present invention;

Thus, the Specification expressly states that Figure 1 is not

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"prior art."

Explaining this further, Applicant points out that the Specification, page 3, states that the ATM 10 of Figure 1 contains a "data processing unit 22" shown in Figure 2. That "data processing unit 22" performs many of the computation steps recited in the claims. (Page 3, line 5 et seq.)

Restated, the operations of the "processing unit 22," as described in the third paragraph of the Specification, and other places, are not found in the prior art.

Restated again, the "processing unit 22" in Figure 2 is **Applicants'** processing unit. It is not a prior-art processing unit.

Therefore, there is no doubt whatsoever that Figure 2 is not shown within the prior art. The "processing unit 22" is not a prior-art element. A generic procesing element may be, but the processing unit 22, as described in the Specification, is not found in the prior art.

As to Figure 1, if Applicant designates Figure 1 as "Prior Art," then Applicant enables infringers to raise the argument that the "data processing unit 22" and its functions are also prior art. The reason is that the Specification states that the ATM 10 of Figure 1 contains the data processing unit.

Applicant is not required to admit, directly or indirectly, that the invention is contained within the prior art.

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Proposed Resolution

Applicant offers to resolve this apparent problem by the enclosed PROPOSED DRAWING AMENDMENT, which adds a graphical block to Figure 1, within the ATM 10, which is labeled "invention." Support for that block is found in the Specification, as described in the preceding section.

Second Proposed Resolution

MPEP § 608.02(g) states that

Figures showing the prior art are usually unnecessary and should be cancelled.

. . .
However, where they are needed to understand applicant's invention, they may be retained if designated by a legend such as "Prior Art."

Thus, Applicants offer to cancel Figure 1, and include it in Figure 2, with the apparatus of Figure 2 shown as being contained within the ATM of former Figure 1. Some amendments to the Specification would be required by this approach.

Third Proposed Resolution

Applicants propose to label Figures 1 and 2 as "Prior Art," but with the understanding that such labelling only refers to the graphical imagery of the Figures themselves, taken in isolation, and does not imply that the claimed invention is found in the prior

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art.

re: Appeal of This Issue

Applicants must appeal this "prior-art-labeling" objection. The reason is that this matter goes "to the merits" of Applicants' compliance with the statutes and regulations. That "to the merits" is the test for appealability under MPEP § 1201 and § 706.01.

That is, as explained above, if Applicants admit that Figures 1 and 2 are "prior art," then Applicants thereby admit that the operation of processor 22 in Figure 2 is in the prior art. As explained above, the Specification states

- (1) that the "processing unit 22" in Figure 2 operates as the claims recite and
- (2) that "processing unit 22" is contained within the ATM of Figure 1.

In addition, at least three legal questions arise, which the Board of Appraisals must answer. Those questions are:

- Can a Figure be interpreted differently from the Specification's description of it ?
- Are Applicants required to label a Figure with a label contradicting their own description of that Figure ?
- If Applicants label a Figure as "prior art," and their Specification describes that

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Figure as operating according to their invention, have they thereby admitted that their invention is found in the prior art ?

Response to Rejection of Claims 14 - 16

Claim 14

The rejection is obviousness-type. Claim 14 states:

14. A method of validating identity of a party attempting to execute a transaction, comprising the following steps:

- a) accepting an identity card from the party;
- b) reading first and second data from the card;
- c) prior to asking for any other identity data, presenting a message asking the party to enter the first data; and
- d) comparing the first data entered with the first data read from the card and, if they agree, presenting a message asking the party to enter the second data; and
- e) comparing the second data entered with the second data read from the card and, if they agree, proceeding with the transaction.

In the present context, the important recitations are found in (d) and (e):

- (1) the comparison of the first data entered (by the party) with the first data on the card, and

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(2) a similar comparison: comparison of the second data entered with the second data on the card.

That is, two comparisons are made.

The PTO's rationale for rejection is that Suzuki does not show "using the second data as an additional means of identification." Rather, the PTO asserts, Suzuki allows the second data to be used when the customer forgets his PIN, or types in incorrectly.

At this point, Suzuki must be reviewed. Suzuki shows a "smart card." (Column 1, lines 11 - 15.) It contains memory which contains various data identifying a person: birthday, telephone number, etc. (Figure 2, components 26a - 26f.)

In Suzuki, if a person forgets a PIN (Personal Identification Number), the person is allowed to prove identity by keying-in other numbers, such as telephone number and birthday. (Column 4, lines 28 - 47.)

Applicants point out that **BOTH** the "first data" and the "second data" of claim 14 are not present in Suzuki. That is, in Suzuki, a customer may attempt to enter a PIN. That may be "first data." However, if the customer forgets the PIN, Suzuki allows the customer to enter a birthday, etc.

But the birthday is entered **instead** of the PIN. Suzuki never performs the **dual** comparison of claim 14.

Stating this another way, claim 14 requires **two** pieces of

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data, entered by the customer, to agree with **two** pieces of data read from the customer's card. Only if they **both** agree is the customer allowed to proceed, under 14(e).

Suzuki is **directly contrary to this**. If a customer enters the correct PIN, that customer may proceed. In this case, Suzuki receives only one piece of data. That is contrary to claim 14.

If another customer enters the **wrong** PIN, Suzuki may allow that customer to enter a birthday. If the birthday is correct, the customer may proceed. However, in this case, only **one** piece of data (the birthday) is correct. The PIN was **NOT** correct.

Therefore, Suzuki teaches two modes of operation. Both are contrary to claim 14.

ONE MODE: receive **correct** PIN.

-- This is contrary to claim 14:
the "second data" is absent.

SECOND MODE: receive **incorrect** PIN. Then
receive correct birthday.

-- This is also contrary to claim
14: there is no agreement between
both the first and second data
entered by the customer, and the
first and second reference data.

Therefore, Suzuki teaches directly contrary to claim 14.

Consequently, there is no support for the PTO's assertion

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that it would be obvious for Suzuki to use the "second data as a further identification means." One reason is that claim 14 does not recite a "further identification means." Claim 14 recites agreement between

- first data, entered by a customer, and
first data, read from a card, and
- second data, entered by a customer, and
second data, read from a card.

Suzuki only requires one type of agreement.

A second reason is that the phrase "further identification means" is technically incorrect, and misleading. "**Further** identification means" implies a **previous** "identification means."

However, Suzuki only gets to the birthday if the PIN fails. Thus, Suzuki never received a "first" identification means. He received a "first" **ATTEMPTED** identification means.

Only if that one fails, does he get to the supposed "further identification means."

Stating this another way, Suzuki only gets to a "further" identification means if he receives a previous "non-identification" means. Thus, the adjective "further" is incorrect, and misleading. Suzuki never receives a "further" identification means. He receives further **attempts**.

In both cases, Suzuki relies on a **single** identification means. That is contrary to claim 14.

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This applies to claims 15 and 16, which depend from claim 14.

In addition, Suzuki is **directly contrary** to claim 16. Claim 16 states that a single lack of agreement will suspend the transaction. Suzuki is **directly contrary** to this. He allows the "birthday"-type entry to "cure" a failed PIN entry.

Suzuki is directly contrary to claim 16.

In addition, no teaching has been given which shows adding to Suzuki the second agreement recited in claim 14. Suzuki requires only one agreement. No teaching has overcome his explicit teaching.

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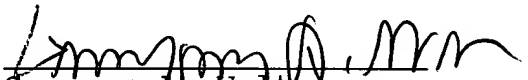
Conclusion

Applicants request that the rejections to the claims be reconsidered and withdrawn.

Applicants request that the objection to Figures 1 and 2 be reconsidered and withdrawn, that the Proposed Drawing Amendment be accepted, or that Figures 1 and 2 be labeled as "prior art," subject to the stipulation discussed above.

Applicants express thanks to the Examiner for the careful consideration given to this case.

Respectfully submitted,


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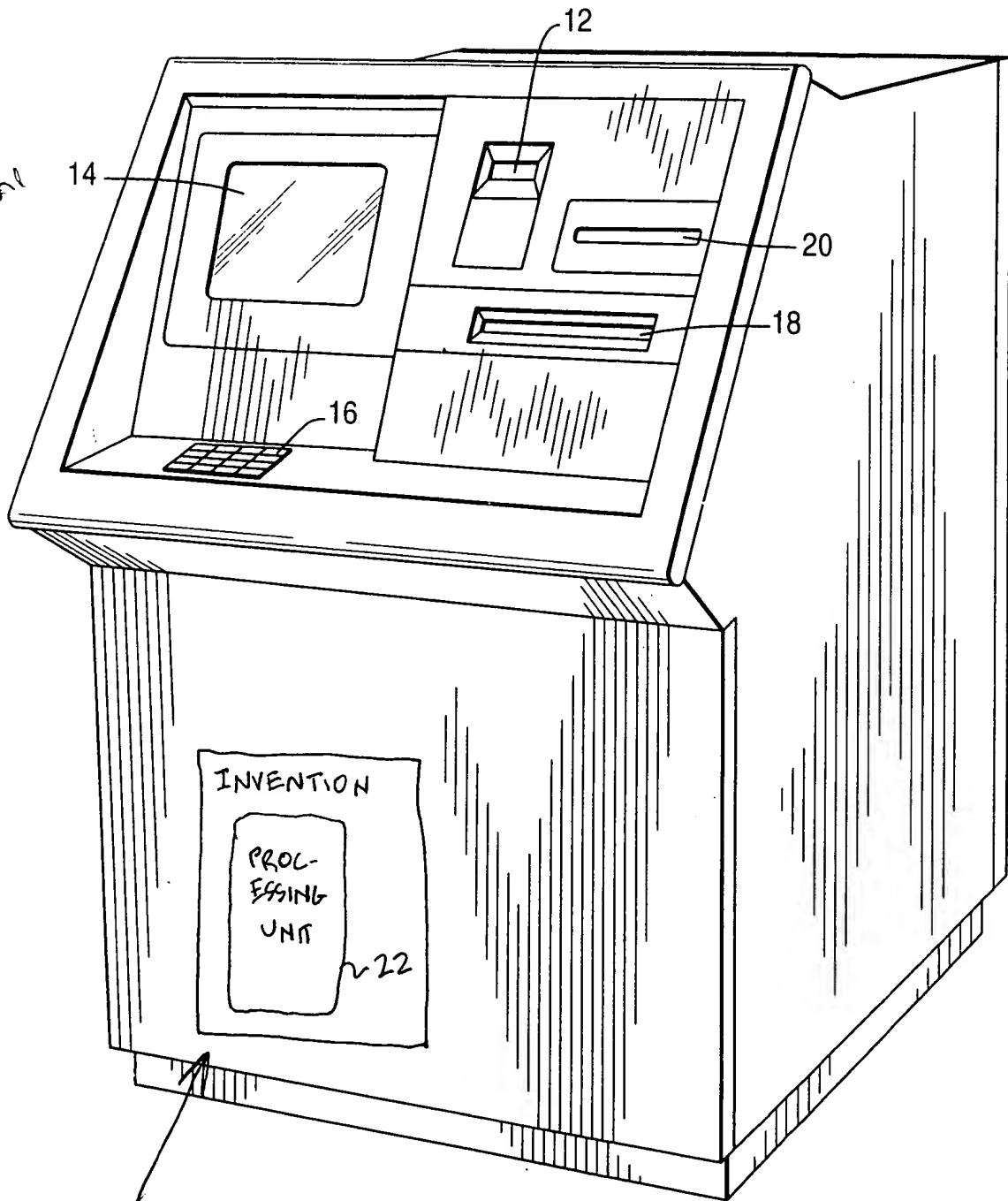
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ATTACHMENT: Proposed Drawing Amendment

FIG. 1

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PROPOSED
DRAWING
AMENDMENT